

If it shall approve such articles, it shall forward them to the Banking Board for review. The Banking Board shall, after such investigation or hearing as it may deem advisable, either approve or disapprove the action of the Department of Banking in respect to the establishment of a branch bank, branch office, agency, sub-office, sub-agency, or branch place of business, and shall return the articles to the Department of Banking with notice of its decision, and in the case of disapproval, with a statement in detail of its reasons for doing so. The decision of the Banking Board shall be binding upon the Department of Banking. Immediately upon receipt of the articles from the Banking Board, the Department of Banking shall, on the basis of the decision of the Banking Board, either approve or disapprove them in the same manner as is provided by this section, in the case of articles of merger or articles of consolidation generally. It shall immediately notify the Department of State in writing of its action. If it shall approve the articles of merger or articles of consolidation, it shall sign its approval thereon and shall return them to the Department of State.

C. If the Department of Banking disapproves the articles of merger or the articles of consolidation, it shall return them to the Department of State, stating in detail its reasons for doing so. The Department of State shall immediately give notice to the corporations desiring to merge or consolidate of the action of the Department of Banking, and of the reasons therefor as stated to it by that department. The decision of the Department of Banking shall be conclusive and not subject to review.

Section 2. Effective Date.—This act shall become effective immediately upon final enactment. When effective.

APPROVED—The 2d day of July, A. D. 1935.

GEORGE H. EARLE

No. 199

AN ACT

Authorizing and regulating the reorganization of banks and bank and trust companies.

Section 1. Be it enacted, &c., That any plan for the reorganization of a bank or a bank and trust company, which the Department of Banking shall deem equitable and to the best interests of all depositors, other creditors, and shareholders, may be adopted, subject to any terms or conditions prescribed by the Department of Banking, in the manner hereinafter provided in this act. Banks, and
bank and
trust companies.

Plan of reorganization must be approved.

Section 2. The plan of reorganization shall be valid only if approved, after such notice as the Department of Banking shall sanction, by the holders of at least seventy-five per centum of the outstanding shares of capital stock of the bank or the bank and trust company, and by depositors and other creditors of such bank or of such trust company to whom is due at least seventy-five per centum of the total amount of all liabilities of the bank or the bank and trust company to depositors and other creditors. However, claims of depositors or other creditors, which will be satisfied in full under the provisions of the plan of reorganization, shall not be included among the total deposits and other liabilities of the bank or the bank and trust company in computing the seventy-five per centum thereof required by this section.

Where bank is restricting withdrawals or is receiving new deposits in accordance with act No. 6, approved on March 8, 1933.

Section 3. In the case of a bank or a bank and trust company which has restricted the withdrawal of deposits and which has received or is receiving new deposits in accordance with the provisions of act number six, approved the eighth day of March, one thousand nine hundred thirty-three, entitled "An act relating to banks, trust companies, savings banks and other banking institutions; providing for the protection of depositors therein, and empowering the Secretary of Banking to permit the withholding of payments to depositors, under certain conditions," the plan of reorganization shall provide for the payment of all such new deposits in full and upon demand. After a plan of reorganization has become effective, every such new deposit shall continue to be segregated, until the bank or the bank and trust company shall receive from the depositor written authority, signed by him, to mingle his new deposit with the other funds of the bank or the bank and trust company. In the event of the subsequent liquidation of such bank or such bank and trust company by the Secretary of Banking or by liquidating trustees, any new deposits, which have been mingled with the other funds of the bank or the bank and trust company pursuant to the provisions of this section, shall have no preference over any other deposits. At any time after the plan of reorganization has become effective, the bank or the bank and trust company shall have power to repay in full any such new deposit, the owner of which shall refuse to authorize the bank or the bank and trust company in the manner provided by this section to mingle his deposit with the other funds of such bank or such bank and trust company.

Effect of plan of reorganization which has been adopted and approved.

Section 4. Any plan of reorganization, which shall have been adopted and approved in the manner provided by this act, shall be binding upon all depositors, other creditors, and shareholders of the bank or the bank

and trust company, whether or not they have consented to such plan of reorganization.

Section 5. This act shall apply to all banks or bank and trust companies within this Commonwealth, incorporated under general or special act of General Assembly, whether or not they are operating upon a restricted basis in accordance with the provisions of the aforementioned act number six, approved the eighth day of March, one thousand nine hundred thirty-three, but it shall not apply to banks or bank and trust companies in possession of the Secretary of Banking.

Application
of the act.

Section 6. If any part of this act shall be declared unconstitutional by any court, the remaining provisions of the act shall be given full force and effect as completely as if the part held unconstitutional had not been included herein.

Constitutional
provision.

Section 7. The power of a bank or a bank and trust company to reorganize in the manner provided by this act shall be in addition to any power to reorganize granted, and notwithstanding any limitation imposed by existing law. The operation of any act, or part of any act, inconsistent herewith shall be suspended during the period this act shall continue to be effective.

Section 8. This act shall become effective immediately upon its approval by the Governor, and shall be retroactive to the thirty-first day of March, nineteen hundred thirty-five, and shall continue to be effective until the thirty-first day of March, one thousand nine hundred thirty-seven.

When effective.

APPROVED—The 2d day of July, A. D. 1935.

GEORGE H. EARLE

No. 200

AN ACT

To amend the act approved the fifteenth day of May, one thousand nine hundred and thirty-three (Pamphlet Laws, six hundred twenty-four), entitled "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penal-